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25 June 1959

## MEMORANDUM FOR THE RECORD

SUBJECT: H. R. 7758 Overseas Differentials and Allowances Act

Information was received from Mr. Charles Johnson, House Post Office and Civil Service Committee staff that the House Ways and Means Committee has objected to subsection (3) of the proposed revision of Section 912 of the Internal Revenue Code which is included at Section 523 of H. R. 7758 (formally H. R. 5007). This proposed subsection of Section 912 of the Internal Revenue Code would provide for nontaxability of payments made under certain sections of Public Law 600, the Administrative Expenses Act of 1946. The Ways and Means Committee objects to this subsection and any other provision which would affect a change in the existing tax application of the Internal Revenue Code.

The Ways and Means Committee is conducting a study of amendments to be made to the Internal Revenue Code and as a result will allow at this time only such provisions as will affect no substantive change. Mr. Charles Johnson (PCCS) requested we attend a meeting at 2:30 P.M., June 25 in the Committee Room to review with other interested agencies and representatives of the Ways and Means Committee Section 523 of proposed H.R. 7758.

Assistant/to the General Counsel

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Mr. Charles Johnson (POCS) requested we attend a meeting at 2:30 P.M., June 25 in the Committee Room to review with other interested agencies and representatives of the Ways and Means Committee Section 523 of proposed H. R. 7758.

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